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FM THE SITUATION ROOM//TOSCO 36//

TO GENERAL SCONCROFT

TOPSECRET SENSITIVE EYES ONLY CONTAINS CODEWORD WHE2351

TUSCO 36

NSA review completed

DECEMBER 2. 1975

MEMORANDUM FOR GENERAL SCONCROFT FROM: THE SITUATION ROOM SUBJECT: INFORMATION ITEMS

ON-FILE NSC RELEASE

CHINA READY TO SIGN CONTRACT FOR WEST GERMAN PETROCHEMICAL PLANT: THE CHINESE ARE REPORTEDLY READY TO SIGN A SIX PERCENT DEFERRED PAYMENT CONTRACT WITH A WEST GERMAN FIRM FOR A 823.8 MILLION HIS -LICENSED LINEAR ALKYL BENZENE (LAB) PLANT. AN INTERESTED JAPANESE GROUP REPORTED THAT THE CHINESE HAD REJECTED THEIR OFFER BECAUSE THEIR OWN GOVERNMENT-LIMITED 7.5 PERCENT INTEREST RATE WAS BETTERED BY THE SIX PERCENT OFFER OF THE WEST GERMAN FIRM. TO THE REPORT, THE CHINESE HAD FREQUENTLY STATED THEIR DIS-SATISFACTION HITH THE HASHINGTON AGREEMENT AND THEREFORE WERE TAKING THIS OPPORTUNITY TO POINT OUT THEIR CONTINUING opposition to it by deciding on the Nest German Offer. TIATIONS FOR THE 50.000 TONS-PER-YEAR LAB PLANT HAVE BEEN IN PROGRESS SINCE JULY 1974 WITH REPRESENTATIVES OF JAPANESE, THE CHINESE APPARENTLY HAVE HEST GERMAN, AND ITALIAN FIRMS. SIGNED A SEPARATE TECHNOLOGY CONTRACT WITH A U.S. FIRM FOR THIS PROJECT, A DEPARTURE FROM PREVIOUS WHOLE PLANT CONTRACTS WHEREIN TECHNOLOGY AND CONSTRUCTION WERE INCLUDED UNDER ONE CONTRACT.

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*WHSR COMMENT

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BRAZIL PRESSING FOR CLOSER ECONOMIC RELATIONS WITH KUWAIT! BRAZICIAN EFFORTS TO STIMULATE AND INCREASE FINANCIAL AND COMMERCIAL RELATIONS WITH KUMAIT?

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ARE NOW STAKING ON THE CHARACTERISTICS OF A VENITABLE BHAZILIAN ASSAULT ON THE KU-WAITI MARKET. " IN ADDITION TO A MISSION ORGANIZED BY THE

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BANK, THE DIRECTORS OF THE ARABHBRAZILIAN INVESTMENT COMPANY (ABIGN) AND OTHER BRAZILIAN ENTITIES ARE NOW PRESSING FOR THE IMMEDIATE EXPANSION OF TRADE WITH KUWAIT

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KUWAIT'S MINISTER OF FINANCE TOLD

THAT HE VIEHED ABICO AS A KUNAITI PRESENCE IN BRAZIL AND THAT HE CONSIDERED THE BRAZILIAN PRESENCE IN KUNAIT IN THE FORM OF JOINT VENTURES "INDISPENSABLE." HE ADDED THAT ABICO SHOULD BE A HOLDING COMPANY FROM WHICH OTHER COMPANIES IN ADDITION, HE STATED THAT BRAZIL COULD EXPORT HEAVY EQUIPMENT AND SOPHISTICATED MANUFACTURED PRODUCTS AS ITS CONTRIBUTION AND COOPERATION FOR THE SECOND FIVE-YEAR DE-VELOPMENT PLAN OF KUWAIT, WHON IN THE BEGINNING STAGES OF IM-PLEMENTATION."

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